

Internal Revenue Service  
District Director

Department of the Treasury

Date: DEC 3 1984

Employer Identification Number:

Internal Revenue Code  
Section 501(c)(4)

Accounting Period Ending:

December 31

Form 990 Required: ☒ Yes ☐ No

Person to Contact:

R.D. Morris

Contact Telephone Number:

488-3100

People for the American Way Action Fund  
1424 16th Street, N.W., Suite 601  
Washington, D.C. 20036

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under the provisions of the Internal Revenue Code section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay \$100 or more during a calendar year. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay \$50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment or other Federal taxes, please address them to this office.

If your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status. Also, you should inform us of all changes in your name or address.

The block checked at the top of this letter shows whether you must file Form 990, Return of Organization Exempt from Income Tax. If the Yes box is checked, you are only required to file Form 990 if your gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law provides for a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay. This penalty may also be charged if a return is not complete. So, please make sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Internal Revenue Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in Code section 513.

(over)

13. You claimed to be an organization described in section 509(a)( ). Based on the information furnished, however, you are an organization described in section 509(a)(1) because you are a described in section 170(b)(1)(A)( ). You will therefore be treated as an organization described in section 509(a)(1).
14. You claimed to be foundation described in section 509(a)( ). Based on information you submitted, however, you can reasonably be expected to qualify as an organization described in section 509(a)( ). You will therefore be treated as a 509(a)( ) organization during an advance ruling period as indicated in this letter.
15. This determination is based on evidence that your funds are dedicated to the purposes set out in section 501(c)(3) of the Code. To assure your continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds remain dedicated to the required purposes and that they will be used for those purposes by the recipient.
16. If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship if any to members, officers, trustees or donors of funds to you, in order that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2, page 306)
17. Your tax exempt status is predicated on the understanding that the results of any research grants made for scientific purposes will be made available to the public on a non-discriminatory basis.
18. Evidence submitted with your application indicates that you may engage in lobbying activities. Your attention is called to the provisions of section 501(c)(3) of the Code which specifically prohibit lobbying as a substantial part of your activities.
- If you do not wish to be subject to the test of substantiality under section 501(c)(3), you may elect to be covered under the provisions of section 501(h) of the Code. This section establishes ceiling amounts for lobbying expenditures.
- The election provided in section 501(h) of the Code relating to lobbying by public charities may be made for all taxable years beginning after December 31, 1976, by filing a statement with the Internal Revenue Service Center, 11001 Roosevelt Boulevard, Philadelphia, PA 19155 before the close of the first taxable year for which the election is effective.
19. Revenue Procedure 75-50, published in Cumulative Bulletin 1975-2, page 587, sets forth guidelines and recordkeeping requirements for determining whether private schools exempt from tax have racially nondiscriminatory policies as to students. You must comply with this Revenue Procedure to maintain your exempt status.
20. Since you are a social welfare organization contributions to you are not deductible by donors. You should advise contributors to that effect.



You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

*Teddy R. Kerr*

Teddy R. Kerr  
District Director

*See the attached caveat #20 which is an integral part of this letter.*

cc. Walter B. Slocumbe, Power of Attorney  
Caplin and Drysdale  
One Thomas Circle, N.W., Suite 1200  
Washington, D.C. 20005

OCT 17 1984

Form **1024**  
(Rev. April 1984)  
Department of the Treasury  
Internal Revenue Service

**Application for Recognition of Exemption  
Under Section 501(a)  
or for Determination Under Section 120**

OMB No. 1545-0057

Every organization must furnish the information specified. If any organization does not submit the information and financial data required, this application will not be considered on its merits, the organization will be notified accordingly, and the application may be returned. If you need more space for any item, you may attach additional statements. Show your name and employer identification number on all attachments.

Except as shown below, applicants must complete Parts I through IV. In addition, an organization must complete the schedule indicated below that relates to the Code section under which it is applying. If a part or a line item does not apply enter "N/A."

Central organizations applying for a group exemption letter—See Rev. Proc. 80-27, 1980-1 C.B. 677, or later revisions; or get Publication 557, Tax Exempt Status for Your Organization, available free at most Internal Revenue Service offices.

This application, if approved, will be open to public inspection. (See General Instructions.)

You must have an organizing instrument. If you do not have an organizing instrument, do not file this application.

Check the appropriate box below to indicate the section under which you are applying.

- ☐ Section 501(c)(2)—Title holding corporations (Schedule A, page 6)
- ☒ Section 501(c)(4)—Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 6)
- ☐ Section 501(c)(5)—Labor, agricultural, or horticultural organizations (Schedule C, page 7)
- ☐ Section 501(c)(6)—Business leagues, chambers of commerce, etc. (Schedule C, page 7)
- ☐ Section 501(c)(7)—Social clubs (Schedule D, pages 7 and 8)
- ☐ Section 501(c)(8)—Fraternal beneficiary societies, etc., providing life, sick, accident or other benefits to members (Schedule E, page 8)
- ☐ Section 501(c)(9)—Voluntary employees' beneficiary associations (Schedule F, page 9)
- ☐ Section 501(c)(10)—Domestic fraternal societies, orders, etc., not providing life, sick, accident or other benefits (Schedule E, page 8)
- ☐ Section 501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, pages 9 and 10)
- ☐ Section 501(c)(13)—Cemeteries, crematoria, and like corporations (Schedule H, page 10)
- ☐ Section 501(c)(15)—Mutual insurance companies or associations, other than life or marine (No Schedule required)
- ☐ Section 501(c)(17)—Trusts providing for the payment of supplemental unemployment compensation benefits (Schedule I, page 11)
- ☐ Section 501(c)(19)—A post, organization, auxiliary unit, etc. of past or present members of the Armed Forces of the United States (Schedule J, page 12)
- ☐ Section 501(c)(20)—Trust/organization for pre-paid group legal services (Parts I, II, and Schedule M, page 12)
- ☐ Section 120—Qualified group legal services plans (Parts I, II, and Schedule L, page 13)

**Part I.—Identification (See instructions)**

1(a) Full name of organization

People for the American Way Action Fund

1(b) Employer identification number (if none, see specific instructions)  
SS-4 Attached

2(a) Address (number and street)

1424 16th Street, N.W.; Suite 601

2(b) City or town, county, State, and ZIP code

Washington, D.C. 20036

3 Name and telephone number (including area code) of person to be contacted during business hours if more information is needed

Anthony T. Podesta 202-462-4777

4 Month the annual accounting period ends  
December

5 Date incorporated or formed  
July 17, 1984

6 Activity codes (see back cover)

400 125 559

7 Has the organization filed Federal income tax returns or exempt organization information returns? ☐ Yes ☒ No

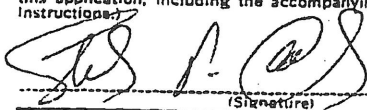
If "Yes," state the form number(s), years filed, and Internal Revenue office where filed

**Part II.—Type of Entity and Organizational Documents (See instructions)**

Check the applicable entity box and attach a conformed copy of the organization's organizing document and bylaws.

- ☒ Corporation—Articles of incorporation and bylaws. ☐ Trust—Trust indenture. ☐ Other—Constitution or articles of association and bylaws.

Under the penalties of perjury, I declare that I am authorized to sign this application on behalf of the above organization and I have examined this application, including the accompanying statements, and to the best of my knowledge and belief it is true, correct and complete. (See General Instructions.)

  
(Signature)

TREASURER  
(Title or authority of signer)

10/9/84  
(Date)

**Part IV.—Financial Data (See instructions)**

**Note:** Complete separate financial statements for the current year and for each of the three years immediately before it. If in existence less than four years, complete the statements for each year in existence. If in existence less than one year, also provide proposed budgets for the two years following the current year.

Statement of Support, Revenue, and Expenses for the period beginning ..... 19...., and ending ..... 19....

(If you prepare a statement of support, revenue, and expenses which is more descriptive and detailed than the statement below, you may submit that statement in place of this one.)

Support and Revenue		
1	Gross dues and assessments of members . . . . .	As of the date of this application, this applicant
2	Gross contributions, gifts, etc. . . . .	organization has had no income or expenditures. A
3	(a) Gross amounts derived from activities related to the organization's exempt purpose (attach schedule) . . . . .	copy of its proposed budget for its first
	(b) Minus cost of sales (attach schedule) . . . . .	two years of operation is attached as Exhibit
4	(a) Gross amounts from unrelated business activities (attach schedule) . . . . .	C3c
	(b) Minus cost of sales (attach schedule) . . . . .	4c
5	(a) Gross amount received from sale of assets, excluding inventory items (attach schedule) . . . . .	5c
	(b) Minus cost or other basis and sales expense of assets sold (attach schedule) . . . . .	6
6	Investment income (see instructions) . . . . .	7
7	Other revenue (attach schedule) . . . . .	8
8	Total support and revenue . . . . .	9
<b>Expenses</b>		10
9	Contributions, gifts, grants, and similar amounts paid (attach schedule) . . . . .	11
10	Disbursements to or for the benefit of members (attach schedule) . . . . .	12
11	Compensation of officers, directors, and trustees (attach schedule) . . . . .	13
12	Other salaries and wages . . . . .	14
13	Interest . . . . .	15
14	Rent . . . . .	16
15	Depreciation and depletion . . . . .	17
16	Other expenses (attach schedule) . . . . .	18
17	Total expenses . . . . .	
18	Excess of support and revenue over expenses (line 8 minus line 17) . . . . .	
<b>Balance Sheet</b>		
(at the end of the period shown above)		Enter date
<b>Assets</b>		Ending date
19	Cash (a) Interest bearing accounts . . . . .	19a
	(b) Other . . . . .	19b
20	Accounts receivable, net . . . . .	20
21	Inventories . . . . .	21
22	Bonds and notes (attach schedule) . . . . .	22
23	Corporate stocks (attach schedule) . . . . .	23
24	Mortgage loans (attach schedule) . . . . .	24
25	Other investments (attach schedule) . . . . .	25
26	Depreciable and depletable assets (attach schedule) . . . . .	26
27	Land . . . . .	27
28	Other assets (attach schedule) . . . . .	28
29	Total assets . . . . .	29
<b>Liabilities</b>		
30	Accounts payable . . . . .	30
31	Contributions, gifts, grants, etc., payable . . . . .	31
32	Mortgages and notes payable (attach schedule) . . . . .	32
33	Other liabilities (attach schedule) . . . . .	33
34	Total liabilities . . . . .	34
<b>Fund Balances or Net Worth</b>		
35	Total fund balances or net worth . . . . .	35
36	Total liabilities and fund balances or net worth (line 34 plus line 35) . . . . .	36

If there has been any substantial change in any aspect of your financial activities since the period shown above ended, check the box and attach a detailed explanation . . . . . ☐

**Part III.—Activities and Operational Information (Continued)**

**5** List the names, titles and addresses of the officers, directors and trustees of your organization for the current year.

See Exhibit B.

**6** Do you have capital stock issued and outstanding?

☐ Yes ☒ No

If "Yes," state (1) class or classes of the stock, (2) number and par value of the shares, (3) consideration for which they were issued, and (4) whether any dividends have been paid or whether your creating instrument authorizes dividend payments on any class of capital stock.

**7** State the qualifications necessary for membership in the organization, the classes of membership (with the number of members in each class) and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Posts or organizations applying under section 501(c)(19) and completing Schedule J, item 1(d), enter N/A here. Attach sample copies of all types of membership certificates issued. The applicant will

have no voting members. However, those persons who have expressed an interest in the activities of the organization by providing it with financial support will be designated as members.

**8** Explain how your assets will be distributed on dissolution. (If State statutes, court decisions, organizing instruments, etc., determine the manner of distribution, state this and identify the statute, court decision, etc.) Posts or organizations applying under section 501(c)(19) and completing Schedule J, item 3(b), enter N/A here. The applicant's articles of incorporation (Article VI(a)) provide that on dissolution its assets are to be distributed to one or more organizations organized and operated for section 501(c)(3) and/or section 501(c)(4) purposes and which are exempt under either of these two sections.

**9** Have you made or do you plan to make any distribution of your property or surplus funds to shareholders or members?

☐ Yes ☒ No

If "Yes," state the full details, including (1) amounts or value, (2) source of funds or property distributed or to be distributed, and (3) basis of and authority for distribution or planned distribution.

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
BUSINESS REGULATION ADMINISTRATION  
CORPORATION DIVISION  
614 H STREET, N.W.  
WASHINGTON, D.C. 20001

C E R T I F I C A T E

THIS IS TO CERTIFY that all provisions of the District of Columbia  
Non-profit Corporation Act have been complied with and ACCORDINGLY  
this Certificate of INCORPORATION

is hereby issued to the PEOPLE FOR THE AMERICAN WAY ACTION FUND

as of the date hereinafter mentioned.

Date July 17, 1984

Carol B. Thompson  
Director

  
Robert B. Johnson

Acting Administrator  
Business Regulation Administration

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
MARION BARRY, JR., MAYOR  
APRIL 1981



Form **1024**  
(Rev. April 1984)  
Department of the Treasury  
Internal Revenue Service

**Application for Recognition of Exemption  
Under Section 501(a)  
or for Determination Under Section 120**

OMB No. 1545-0047

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- ☐ Section 120—Qualified group legal services plans (Parts I, II, and Schedule L, page 13)

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People for the American Way Action Fund

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Washington, D.C. 20036

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Anthony T. Podesta 202-462-4777

4 Month the annual accounting period ends

December

5 Date incorporated or formed

July 17, 1984

6 Activity codes (see back cover)

400 125 359

7 Has the organization filed Federal income tax returns or exempt organization information returns? ☐ Yes ☒ No

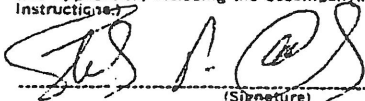
If "Yes," state the form number(s), years filed, and Internal Revenue office where filed

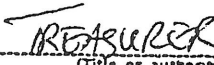
**Part II.—Type of Entity and Organizational Documents (See instructions)**

Check the applicable entity box and attach a conformed copy of the organization's organizing document and bylaws.

☒ Corporation—Articles of incorporation and bylaws. ☐ Trust—Trust indenture. ☐ Other—Constitution or articles of association and bylaws.

Under the penalties of perjury, I declare that I am authorized to sign this application on behalf of the above organization and I have examined this application, including the accompanying statements, and to the best of my knowledge and belief it is true, correct and complete. (See General Instructions.)

  
(Signature)

  
(Title or authority of signer)

10/9/84  
(Date)

For Paperwork Reduction Act Notice, see page 1 of the instructions.

**Part III.—Activities and Operational Information**

1 Are you the outgrowth or continuation of any form of predecessor(s)?

If "Yes," state the name of each predecessor, the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which any transfer of assets was effected.

☐ Yes ☒ No

2 Are you now or do you plan to be connected in any way with any other organization?

If "Yes," describe the organization and explain the relationship. The applicant is a not-for-profit affiliate of Citizens for Constitutional Concerns, Inc., also known as People for the American Way. Citizens for Constitutional Concerns is exempt from federal income tax under section 501(c)(3) and has been classified as a public charity. The President of Citizens for Constitutional Concerns will appoint the Board of Directors of applicant. (Cont'd. Below)

☒ Yes ☐ No

3 Give a detailed narrative description of the organization's past, present, and proposed future activities, and the purposes for which it was formed. The narrative should identify the specific benefits, services, or products the organization has provided or will provide. If the organization is not fully operational, explain what stage of development its activities have reached, what further steps remain for it to become fully operational, and when such further steps will take place. (Do not state the purposes and activities of the organization in general terms or repeat the language of the organizational documents.) If you are engaged in any business or fund raising activity, describe in detail the nature and the scope of the activity. Attach copies of any agreements with other parties related to conducting the business or fund raising activity. State how each business activity engaged in contributed importantly to your exempt purposes.

See Exhibit A — Statement in Support of Application of Exempt Status.

4 What are or will be the organization's sources of financial support? List in the order of size beginning with the largest source.

(Cont'd.) 2. See Exhibit A for more details.

## Part III.—Activities and Operational Information (Continued)

- 10 Does, or will, any part of your receipts represent payments for services performed or to be performed? ☐ Yes ☒ No  
If "Yes," state in detail the amount received and the character of the services performed or to be performed.

- 11 Have you made, or do you plan to make, any payments to members or shareholders for services performed or to be performed? ☐ Yes ☒ No  
If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be, made.

- 12 State the purpose(s), other than payment for services performed or supplies furnished, for which your funds are, or will be, spent.

None.

- 13 Does, or will, any part of your net income inure to the benefit of any private shareholder or individual? ☐ Yes ☒ No  
If "Yes," explain in detail.

- 14 Do you have any arrangement to provide insurance for members, their dependents, or others (including provisions for the payment of sick or death benefits and pensions and annuities)? ☐ Yes ☒ No  
If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.

- 15 Are you under the supervisory jurisdiction of any public regulatory body, such as: Social Welfare Agency, etc.? ☐ Yes ☒ No  
If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision as well as copies of applications or requests for the opinions or decisions.

- 16 Are you now or do you plan to be the lessee of any property, or the lessor of property in which you own an interest? ☒ Yes ☐ No  
If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between your organization and the other party. Also, attach a copy of any rental or lease agreement. See also Schedule B, line 1.  
The organization expects that members of its governing body or other persons speaking on its behalf will appear before the Executive Departments of federal, state, or local governments and/or before legislative bodies relative to the appointment and confirmation of certain individuals to government positions. It is not expected that there will be a significant expenditure of time or money for these activities.  
17 Have you spent or do you plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, State, or local public office or to an office in a political organization? ☐ Yes ☐ No  
If "Yes," explain in detail and list the amounts spent or to be spent in each case.

**Part III.—Activities and Operational Information (Continued)**

5 List the names, titles and addresses of the officers, directors and trustees of your organization for the current year.

See Exhibit B.

6 Do you have capital stock issued and outstanding? ☐ Yes ☒ No

If "Yes," state (1) class or classes of the stock, (2) number and par value of the shares, (3) consideration for which they were issued, and (4) whether any dividends have been paid or whether your creating instrument authorizes dividend payments on any class of capital stock.

7 State the qualifications necessary for membership in the organization, the classes of membership (with the number of members in each class) and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Posts or organizations applying under section 501(c)(19) and completing Schedule J, item 1(d), enter N/A here. Attach sample copies of all types of membership certificates issued. The applicant will

have no voting members. However, those persons who have expressed an interest in the activities of the organization by providing it with financial support will be designated as members.

8 Explain how your assets will be distributed on dissolution. (If State statutes, court decisions, organizing instruments, etc., determine the manner of distribution, state this and identify the statute, court decision, etc.) Posts or organizations applying under section 501(c)(19) and completing Schedule J, item 3(b), enter N/A here. The applicant's articles of incorporation (Article VI(a)) provide that on dissolution its assets are to be distributed to one or more organizations organized and operated for section 501(c)(3) and/or section 501(c)(4) purposes and which are exempt under either of these two sections.

9 Have you made or do you plan to make any distribution of your property or surplus funds to shareholders or members? ☐ Yes ☒ No

If "Yes," state the full details, including (1) amounts or value, (2) source of funds or property distributed or to be distributed, and (3) basis of and authority for distribution or planned distribution.



**Part IV.—Financial Data (See instructions)**

Note: Complete separate financial statements for the current year and for each of the three years immediately before it. If in existence less than four years, complete the statements for each year in existence. If in existence less than one year, also provide proposed budgets for the two years following the current year.

Statement of Support, Revenue, and Expenses for the period beginning 19... and ending 19...  
 19....

(If you prepare a statement of support, revenue, and expenses which is more descriptive and detailed than the statement below, you may submit that statement in place of this one.)

Support and Revenue		
1	Gross dues and assessments of members . . . . .	As of the date of this application, this applicant organization has had no income or expenditures. A copy of its proposed budget for its first two years of operation is attached as Exhibit C3c
2	Gross contributions, gifts, etc. . . . .	
3	(a) Gross amount derived from activities related to the organization's exempt purpose (attach schedule) . . . . .	
	(b) Minus cost of sales (attach schedule) . . . . .	
4	(a) Gross amounts from unrelated business activities (attach schedule) . . . . .	
	(b) Minus cost of sales (attach schedule) . . . . .	
5	(a) Gross amount received from sale of assets, excluding inventory items (attach schedule) . . . . .	
	(b) Minus cost or other basis and sales expense of assets sold (attach schedule) . . . . .	
6	Investment income (see instructions) . . . . .	
7	Other revenue (attach schedule) . . . . .	
8	Total support and revenue . . . . .	
Expenses		
9	Contributions, gifts, grants, and similar amounts paid (attach schedule) . . . . .	
10	Disbursements to or for the benefit of members (attach schedule) . . . . .	
11	Compensation of officers, directors, and trustees (attach schedule) . . . . .	
12	Other salaries and wages . . . . .	
13	Interest . . . . .	
14	Rent . . . . .	
15	Depreciation and depletion . . . . .	
16	Other expenses (attach schedule) . . . . .	
17	Total expenses . . . . .	
18	Excess of support and revenue over expenses (line 8 minus line 17) . . . . .	

Balance Sheet		Ending date
(at the end of the period shown above)		
Assets		
19	Cash (a) Interest bearing accounts . . . . .	19a
	(b) Other . . . . .	19b
20	Accounts receivable, net . . . . .	20
21	Inventories . . . . .	21
22	Bonds and notes (attach schedule) . . . . .	22
23	Corporate stocks (attach schedule) . . . . .	23
24	Mortgage loans (attach schedule) . . . . .	24
25	Other investments (attach schedule) . . . . .	25
26	Depreciable and depletable assets (attach schedule) . . . . .	26
27	Land . . . . .	27
28	Other assets (attach schedule) . . . . .	28
29	Total assets . . . . .	29
Liabilities		
30	Accounts payable . . . . .	30
31	Contributions, gifts, grants etc., payable . . . . .	31
32	Mortgages and notes payable (attach schedule) . . . . .	32
33	Other liabilities (attach schedule) . . . . .	33
34	Total liabilities . . . . .	34
Fund Balances or Net Worth		
35	Total fund balances or net worth . . . . .	35
36	Total liabilities and fund balances or net worth (line 34 plus line 35) . . . . .	36

If there has been any substantial change in any aspect of your financial activities since the period shown above ended, check the box and attach a detailed explanation ☐



**Schedule A** Organizations described in section 501(c)(2) (Title holding corporations)

- 1 State below the complete name, address and employer identification number of each organization for which title to property is held and the number and class(es) of shares of your stock held by each organization.

Not applicable.

- 2 If within the past five years shares of stock in your organization have been held by persons other than organizations listed in 1 above, list below the names and addresses of these persons. Also, show the number and class(es) of shares of capital stock held by each person, the years held, the dividends payable in each year and the dates paid.

Not applicable.

- 3 State whether the net annual income is or will be turned over to the organization for which title to property is held and if not, the purpose for which the income is or will be held.

Not applicable.

- 4 State the purpose(s) of each organization for which title to property is held as shown in its governing instrument and the Code section(s) under which each is classified as exempt from Federal income tax.

Not applicable.

**Schedule B** Organizations described in section 501(c)(4) (Civic leagues, social welfare organizations (including posts, councils, etc. of veterans' organizations not qualifying or applying for exemption under section 501(c)(19)) or local associations of employees.)

- 1 Have you engaged in or do you plan to engage in any activities on behalf of or in opposition to any candidate for public office? ☐ Yes ☒ No

If "Yes," describe in detail the nature and extent of the activities. The applicant organization has no present intention of endorsing or opposing candidates. In the course of its activities it will however feel free to comment on the records and qualifications of public officials and candidates on the basis of their stands on issues of concern to the

- 2 Has the Service previously issued a ruling or determination letter recognizing you (or any predecessor organization listed in item 1 of Part III) to be exempt under section 501(c)(3) and later revoked that recognition of exemption on the basis that you (or your predecessor) were carrying on propaganda or otherwise attempting to influence legislation? ☐ Yes ☒ No

If "Yes," indicate the earliest tax year for which recognition of exemption under section 501(c)(3) was revoked and the IRS District office that issued the revocation.

- 3 Do you perform or do you plan to perform (for members, shareholders, or others) particular services, such as maintaining the common areas of a condominium, buying food or other items on a cooperative basis, providing recreational facilities or transportation services, job placement, or other similar undertakings? ☐ Yes ☒ No
- If "Yes," explain the activities in detail, including income realized and expenses incurred. Also, explain in detail the nature of the benefits to the general public from these activities. (If the answer to this question is explained in Part III (pages 2, 3, and 4), enter the page and item number here.)

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
BUSINESS REGULATION ADMINISTRATION  
CORPORATION DIVISION  
614 H STREET, N.W.  
WASHINGTON, D.C. 20001

C E R T I F I C A T E

THIS IS TO CERTIFY that all provisions of the District of Columbia  
Non-profit Corporation Act have been complied with and ACCORDINGLY  
this Certificate of INCORPORATION

is hereby issued to the PEOPLE FOR THE AMERICAN WAY ACTION FUND

as of the date hereinafter mentioned.

Date July 17, 1984

Carol B. Thompson  
Director



Robert B. Johnson  
Acting Administrator  
Business Regulation Administration

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
MARION BARRY, JR., MAYOR  
APRIL 1981

ARTICLES OF INCORPORATION  
OF THE  
PEOPLE FOR THE AMERICAN WAY ACTION FUND

To: Department of Consumer and Regulatory Affairs  
Washington, D.C.

We, the undersigned natural persons of the age of twenty-one years or more, acting as incorporators for such corporation adopt the following Articles of Incorporation for such corporation pursuant to the District of Columbia Non-profit Corporation Act:

I. NAME

The name of the Corporation is People for the American Way Action Fund.

II. DURATION

The duration of the Corporation shall be perpetual.

III. PURPOSES

A. The Corporation is organized exclusively for the promotion of social welfare, more specifically the following:

1. To provide a national structure for the defense of American values of pluralism and individual rights secured by the Constitution of the United States with particular emphasis on the First Amendment.
2. To obtain, develop and provide information on issues affecting human and civil rights secured by the

FILED

JUL 17 1984

BY: RBA

## V. BOARD OF DIRECTORS

The manner of election or appointment of the Board of Directors of the Corporation shall be as provided in the By-laws of the Corporation.

## VI. REGULATION OF INTERNAL AFFAIRS

A. The affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors may elect or appoint persons to act in an advisory or honorary capacity in any manner provided for in the By-laws.

B. The initial By-laws shall be adopted by the Board of Directors, which may alter, amend or repeal the By-laws or adopt new By-laws.

C. In the event of the dissolution or final liquidation of the Corporation:

1. None of the property of the Corporation nor any proceeds thereof shall be distributed to or divided among any of the directors or officers of the Corporation or inure to the benefit of any individual.

2. After all liabilities and obligations of the Corporation have been paid, satisfied and discharged, or adequate provision made therefor, all remaining property and assets of the Corporation shall be distributed to one or more organizations designated by the Board of Directors pursuant to a plan of distribution (or failing such plan, by a court) which shall comply with all of the following conditions:

Constitution to the general public, to interested groups and individuals, to the media and to members of the Congress of the United States and of state and local legislative bodies as well as to federal, state and local executive officers and agencies.

3. To do any and all lawful acts and things, including the support of other organizations, which may be necessary, useful, suitable or proper for the furtherance or accomplishment of the purposes of the Corporation.

B. No part of the net earnings of the Corporation shall inure to the benefit of any individual. The Corporation shall, however, be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

C. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any activity not permitted to be carried on by a corporation exempt from Federal income tax under section 501(c)(4) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States internal revenue law).

#### IV. MEMBERS

The Corporation shall have no members, but this provision shall not preclude the designation as "members" of individuals who support or are otherwise associated with, the Corporation, under such terms as shall be set forth in the By-laws of the Corporation.



Anthony T. Podesta

1424 16th Street, N.W.  
Washington, D.C. 20036

Mary Elizabeth Tuttle

1424 16th Street, N.W.  
Washington, D.C. 20036

Shahid P. Ahmad

1424 16th Street, N.W.  
Washington, D.C. 20036

IX. INCORPORATORS

The names and addresses of persons who are in the incorporators of the Corporation are:

Walter B. Slocombe, Esquire  
Caplin and Drysdale, Chartered  
One Thomas Circle, N.W.  
Washington, D.C. 20005

Robert A. Boisture, Esquire  
Caplin and Drysdale, Chartered  
One Thomas Circle, N.W.  
Washington, D.C. 20005

Frank M. Chapper, Esquire  
Caplin and Drysdale, Chartered  
One Thomas Circle, N.W.  
Washington, D.C. 20005

IN WITNESS WHEREOF, we subscribe and acknowledge these Articles of Incorporation this 17th day of July, 1984.

Walter B. Slocombe  
Walter B. Slocombe

Robert A. Boisture  
Robert A. Boisture

Frank M. Chapper  
Frank M. Chapper

(a) Such organization shall be organized and operated exclusively for charitable or educational or for social welfare purposes similar to those of the Corporation;

(b) Such organization shall be exempt from Federal income taxes by reason of section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States internal revenue law).

D. The private property of the directors or officers of the Corporation shall not be subject to payment of corporate debts to any extent whatever.

#### VII. REGISTERED OFFICE AND REGISTERED AGENT

A. The address of the Corporation's initial registered office is: 1424 16th Street, N.W., Washington, D.C. 20036.

B. The Corporation's initial registered agent at such address is: Anthony T. Podesta.

#### VIII. DIRECTORS

A. The number of Directors constituting the initial Board of Directors is three. The number of Directors may be increased or decreased from time to time by amendment to the By-laws, but shall in no event be less than three.

B. The names and addresses of the persons who are to serve as the initial directors until the first Annual Meeting or until their successors be elected and qualify are:

CITY OF WASHINGTON )

) SS.:

DISTRICT OF COLUMBIA )

I, Betty J. Dickhute, a Notary Public in and for the District of Columbia, do hereby certify that Walter B. Slocombe, Frank M. Chapper, Robert A. Boisture whose names are signed to the foregoing Articles of Incorporation, bearing the date of the July day of 17, 1984, personally appeared before me in said District, the said persons being personally well known to me as the persons who executed the said Articles of Incorporation, and each acknowledged the same to be his act and deed.

GIVEN under my hand and seal this 17th day of July, 1984.

Betty J. Dickhute  
Notary Public, D.C.

My commission expires: \_\_\_\_\_ My Commission expires August 1, 1985

BY-LAWS  
OF THE  
PEOPLE FOR THE AMERICAN WAY ACTION FUND

ARTICLE I

Offices

Section A. Principal Office. The Principal office of the Corporation shall be located at 1424 16th Street, N.W., Washington, D.C. 20036. The Corporation may have such other offices, either within or without the District of Columbia, as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

Section B. Registered Office. The Corporation shall have and continuously maintain in the District of Columbia a registered office and a registered agent whose office is identical with such registered office as required by the District of Columbia Non-Profit Corporation Act. The address of the registered office and the registered agent may be changed from time to time by the Board of Directors.

ARTICLE II

Members

The Corporation shall have one class of non-voting members, which class shall consist of persons (individuals and organizations) from the general public who have made donations to the corporation in furtherance of its exempt purposes. Individuals and organizations which have supported and who support Citizens for Constitutional Concern (also known as People for the American Way) shall also be considered to be members of the Corporation.

### ARTICLE III

#### Board of Directors

Section A. General Powers. The Board of Directors of the Corporation shall supervise, manage and control all of the affairs, business activities, and policies of the Corporation.

Section B. Number, Tenure, and Qualifications. The initial Board of Directors of the Corporation shall be those individuals named in the Articles of Incorporation. The number of directors may be increased or decreased from time to time by amendment to these By-laws, but in no event shall the number of directors be less than three. All directors shall serve until their successors are selected or appointed as set forth below.

Section C. Election of Directors. Any vacancy occurring in the board of directors upon death, resignation, expiration of term of office, removal or as a result of an increase in the number of directors shall be filled by presiding president of Citizens for Constitutional Concerns, Inc., a Delaware Corporation authorized to do business in the District of Columbia.

Section D. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than by this By-law on the first Monday in March of each year. Such annual meeting may be held either within or without the District of Columbia as determined by the Board. It may be held on any other date set pursuant to resolution of the Board of Directors provided at least fifteen (15) days notice of the new date for the Annual Meeting is given to each director. The Board of Directors may provide by resolution the time and place, either within or without



the District of Columbia for the holding of additional meetings of the Board. Notice of such additional meeting shall be given in accordance with section F of this By-law.

Section E. Additional Meetings. Additional meetings of the Board of Directors may be called by or at the request of the President or any three (3) directors. The person or persons authorized to call such additional meetings of the Board may fix any place, either within or without the District of Columbia, as the place for holding any additional meeting of the Board called by them.

Section F. Notice. Notice of any additional meeting of the Board of Directors shall be given at least five (5) days prior thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of any Director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-laws.

Section G. Quorum. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than a majority of the Directors are present at said meeting, a majority of the Directors present at said meeting may adjourn the meeting from time to time without further notice.

Section H. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except where otherwise provided by law or by these By-laws. Meetings of the Board of Directors or of any Committee formed under the authority of these By-laws may be held by conference telephone call or any other similar communications equipment which allows all participants to communicate with each other.

Section I. Vacancies. Any vacancy in the category of elected directors occurring in the Board of Directors, including a vacancy resulting from an increase in the number of elected Directors, will be filled by the presiding president of Citizens for Constitutional Concerns, Inc.

Section J. Compensation. Directors as such shall not receive any stated salaries for their services. They may, however, be compensated for services provided to the Corporation.

Section K. Voluntary Retirement. Any Director may retire at any time by notifying the President or the Secretary in writing. Such retirements shall take effect at the time therein specified.

Section L. Action Without a Meeting. Any action which is required to be taken, or which may be taken without a meeting if

notice is given to all Directors and if a consent in writing, setting forth the action so taken, shall be signed by at least two-thirds of the Directors. Such consent shall have the same force and effect as a unanimous vote.

Section M. Removal of Directors. Directors of the corporation are subject to removal with or without cause by the presiding president of Citizens for Constitutional Concerns, Inc.

Section N. Committees (Other than Executive Committee and Membership Committee). The Board of Directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees.

Section O. Executive Committee. The Board of Directors by resolution adopted by a majority of the directors in office, may designate and appoint an executive committee to consist of three (3) Directors, and shall include at least one of those persons selected as the officers of the Corporation. The executive committee shall, except as otherwise provided by law, have and exercise all the powers of the Board of Directors during the intervals between the meetings of the Board, and shall fix its own rules of procedure. Such committee shall keep a record of its proceedings, which shall from time to time be reported to the Board of Directors. One or more members of the executive committee may participate in any meeting of the committee by means of any communications equipment which would allow all persons participating in the meeting to hear such person. Participation by such means shall constitute presence in person.

Section N. Advisors to the Corporation. The Board of Directors may elect or appoint any person or persons to act in an

advisory capacity to the Corporation or in an honorary capacity with respect to the Corporation.

#### ARTICLE IV

##### Officers

Section A. The Officers. The Officers of the Corporation shall be a President, a Vice-President, a Treasurer, a Secretary and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including Vice-Presidents, Assistant Secretaries, or Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two (2) or more offices except those of President and Secretary may be held by the same person. The Corporation may obtain for each officer and employee of the Corporation a bond, in such sum and with such number of sureties as the Board of Directors, shall from time to time determine, for the faithful performance of his or her duties and for the restoration to the Corporation, in case of his or her death, resignation, retirement or removal, of all books, papers, vouchers, money or other property of whatever kind in his or her possession or under his or her, control, belonging to the Corporation.

Section B. Election and Term of Office. The officers of the Corporation shall be Directors and shall be elected at the regular Annual Meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the Board of

Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby.

Section C. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors or the President or the Secretary. Any such resignation shall take effect at the date of receipt of such notice or at any later time therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section D. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section E. President. The President shall be the principal officer of the Corporation and shall in general supervise the affairs of the Corporation, subject, however, to the control of the Board of Directors or the Executive Committee of the Board of Directors. He shall, if present, preside at all meetings of the Board of Directors and of the Executive Committee. In addition, the President shall perform such other duties as may be prescribed by the Board of Directors or the Executive Committee from time to time.

Section F. Vice-President. If the President is not present at an annual meeting or at a meeting of the Board of Directors or of the Executive Committee the Vice-President shall preside. If at any



time the office of President is vacant, the Vice-President shall serve as President until the office is filled. The Vice-President shall perform such additional duties as may be assigned by the Board of Directors, the Executive Committee or the President from time to time.

Section G. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with Article of these By-laws; and in general perform the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section H. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors and of committees having any of the authority of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with these By-laws or as required by law; be custodian of the corporate records and of the seal of the Corporation, and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation is duly authorized in accordance with the provisions of these By-laws; and in general perform all duties of the office of secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section I. Executive Director. An Executive Director may be selected by the Board of Directors as the chief executive officer of the Corporation. The Executive Director may be a member of the Board of Directors. In the event he is not a Director, he may have a voice but not a vote at meetings of the Board of Directors. He shall perform such duties as are provided in these By-laws and as are delegated to him by the President, the Board of Directors, or the Executive Board. Without prejudice to the complete authority of the Board of Directors to manage the affairs and properties of the Corporation, the Executive Director shall hire, direct, and discharge all agents and employees and fix their salaries subject to appropriations authorized by the Board of Director. He shall have charge of publications, records, property, correspondence and daily activities of the Corporation and shall report regularly thereon to the President, the Board, and the Executive Committee. He may, under the direction of the President or other officers of the Corporation, act for them as they deem appropriate and shall perform such other duties as shall be required of the Board of Directors. The salary of the Executive Director shall be fixed by the Board of Directors. At such times as the post of Executive Directors remains unfilled the President may assume the duties of that position.

## ARTICLE V

### Miscellaneous Provisions

Section A. Contracts and Other Documents. The Board of Directors or the Executive Committee, except as otherwise required by law, the Articles of Incorporation, or these By-laws, may authorize any officer or officers, agent or agents of the Corporation, in

addition to the President, to enter into any contract or execute and deliver any instrument or document in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

Section B. Checks, Drafts, Loans, Etc. All checks, drafts, loans or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall be from time to time determined by the Board of Directors. In the absence of such determination, such instrument shall be signed by the Treasurer.

Section C. Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may from time to time select.

Section D. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purpose or for any special purpose of the Corporation.

Section E. Waiver of Notice. Wherever any notice whatever is required to be given under the provisions of the By-laws, under the provisions of the Articles of Incorporation, or by the District of Columbia Non-profit Corporation Act, a waiver thereof signed by the person or persons entitled to such notice, whether before or

after the time stated therein, shall be deemed equivalent to the giving of such notice.

#### ARTICLE VI

##### Books and Records

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any authority of the Board of Directors, and shall keep at the registered office a record giving the names and addresses of the Board of Directors. All books and records of the Corporation may be inspected by any director, or his agent or attorney, for any proper purpose at any reasonable time.

#### ARTICLE VII

##### Annual Audit

The Corporation shall provide for an annual audit of its accounts by a certified public accountant to be chosen by the Board of Directors.

#### ARTICLE VIII

##### Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each calendar year unless otherwise determined by the Board of Directors.

#### ARTICLE IX

##### Seal

The Board of Directors shall provide a corporate seal which

shall have thereon the name of the Corporation, the year of its incorporation, and the words "Corporate Seal, District of Columbia."

#### ARTICLE X

##### Indemnification

In discharging their duties (including acting as trustees or officers of other foundations, corporations, or entities at the request of the Corporation), directors and officers shall be indemnified by the Corporation for judgments and fines (whether civil, criminal, administrative, or investigative), amounts paid in settlement, costs, expenses and judgments in actions by or in the right of the Corporation to procure a judgment in its favor, for any of the above enumerated matters whether threatened, pending or contemplated, as well as reasonable expenses for each, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding or any appeal therein, if such director or officer acted in good faith, for a purpose which he reasonably believed to be in the best interests of the Corporation but had no reasonable cause to believe that his conduct was unlawful.

#### ARTICLE XI

##### Amendments to the By-laws

Section A. These By-laws may be altered, amended or repealed and new By-laws may be adopted by a two-thirds majority vote of the Board of Directors present at any regular or at any additional meeting, of the Board.

---



shall have thereon the name of the Corporation, the year of its incorporation, and the words "Corporate Seal, District of Columbia."

#### ARTICLE X

##### Indemnification

In discharging their duties (including acting as trustees or officers of other foundations, corporations, or entities at the request of the Corporation), directors and officers shall be indemnified by the Corporation for judgments and fines (whether civil, criminal, administrative, or investigative), amounts paid in settlement, costs, expenses and judgments in actions by or in the right of the Corporation to procure a judgment in its favor, for any of the above enumerated matters whether threatened, pending or contemplated, as well as reasonable expenses for each, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding or any appeal therein, if such director or officer acted in good faith, for a purpose which he reasonably believed to be in the best interests of the Corporation but had no reasonable cause to believe that his conduct was unlawful.

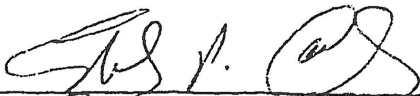
#### ARTICLE XI

##### Amendments to the By-laws

Section A. These By-laws may be altered, amended or repealed and new By-laws may be adopted by a two-thirds majority vote of the Board of Directors present at any regular or at any additional meeting, of the Board.

---

I certify that the foregoing By-laws of the People for the American Way Action Fund were approved and adopted for the organization by its Board of Directors at the organizational meeting of the organization held on September 21, 1984 and they are currently in effect.

  
Name SHAHID P. AHMAD

TREASURER  
Position

October 9, 1984  
Date

# PEOPLE FOR THE AMERICAN WAY ACTION FUND, INC.

## 1984 ANTICIPATED REVENUE

COLUMN WRITE

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REVENUE

MEMBERSHIP DEVELOPMENT / ORGANIZING

RESPONSE TO DIRECT MAIL

\$ 233,500

RESPONSE TO BROADCASTS OF DOCUMENTARIES, PSAs

36,400

TOTAL PUBLIC SUPPORT

\$ 597,500

# PEOPLE FOR THE AMERICAN WAY ACTION FUND, INC.

## 1984 BUDGET

COLUMN WRITE

	1	2	3	4
DESCRIPTION	TOTAL	PROGRAM SERVICES	MGMT & GENERAL	FUNDRAISING
SALARIES	20208	7625	4958	7625
P/R TAXES & BENEFITS	5052	1906	1240	1906
PROFESSIONAL FUNDRAISING FEES	12500			12500
LEGAL FEES	2500	2500		
SUPPLIES & STATIONARY	500		500	
TELEPHONE	200		200	
POSTAGE & MAILING	81962	64575	550	16887
OFFICE RENT	1125		1125	
PRINTING & PRODUCTION	83875	73975		9900
MEDIA PRODUCTION	60800	60800		
MEDIA TIME BUYS	398000	398000		
MEDIA PROMOTION	343250	343250		
DATA PROCESSING	23775	21188	525	2062
	1033747	973819	9098	50830



# PEOPLE FOR THE AMERICAN WAY ACTION FUND, INC.

## 1985 ANTICIPATED REVENUE

COLUMN WRITE		1	2	3	4
1					
2	REVENUE				
3					
4	MEMBERSHIP DEVELOPMENT/ORGANIZING:				
5					
6	RESPONSE TO DIRECT MAIL				\$ 934,000
7					
8	RESPONSE TO BROADCASTS OF DOCUMENTARIES, PSAs				364,000
9					
10					
11	TOTAL PUBLIC SUPPORT				\$ 1,298,000
12					
13					
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# PEOPLE FOR THE AMERICAN WAY ACTION FUND, INC.

## 1985 BUDGET

COLUMN WRITE

DESCRIPTION				
	TOTAL	PROGRAM SERVICES	MGMT & GENERAL	FUNDRAISING
SALARIES	\$ 80832	30500	19832	30500
PAYROLL TAXES & BENEFITS	10508	3965	2578	3965
PROFESSIONAL FUNDRAISING FEES	50000			50000
ACCOUNTING FEES				
LEGAL FEES	5000	5000		
SUPPLIES & STATIONARY	2000			
TELEPHONE	272		2000	
POSTAGE & MAILING	327850	258300	272	
OFFICE RENT	4500		2200	67350
PRINTING & PRODUCTION	335500	295700	4500	
MEDIA PRODUCTION	60800	60800		39600
MEDIA TIME BUYS	398000	398000		
MEDIA PROMOTION	343250	343250		
DATA PROCESSING	95100	84750	2100	8250
TOTAL	\$ 1713612	1480465	23482	199665

People for the American Way Action Fund  
Form 1024, Application For Recognition of Exemption  
Part III, Question 3: Purposes and Proposed Activities

Statement in Support of  
Application for Exempt Status

Facts

The Fund has been established to function as an affiliate organization to Citizens for Constitutional Concerns, Inc., also known as People for the American Way (PFAW). As of the date of this application, the People for the American Way Action Fund (the "Fund") has been principally engaged in organizational matters. This has included the incorporation of the Fund as a District of Columbia not-for-profit corporation, the selection of a Board of Directors, the election of officers, formulating and adopting by-laws, and making plans for its future operations. The President of PFAW will appoint the Directors of the Fund.

The Fund, as it becomes fully active, will carry on and expand upon the public policy and advocacy work heretofore conducted by PFAW. PFAW was created under Delaware law in 1981. It is recognized for federal tax purposes as a public charity under sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code.<sup>1</sup> A copy of the IRS determination letter dated June 28, 1983 recognizing the public charity status of the organization is attached as Exhibit D.

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1. Statutory references are to the Internal Revenue Code of 1954, as amended.

Also enclosed as Exhibit E is the IRS "no change" report of November 17, 1983 resulting from the examination of its operations.

Purposes

In accomplishing its purposes the Fund will:

- o Provide information to the general public on matters having a bearing on religious, human and civil rights of individuals and the extent to which they may be threatened by any current or proposed executive, judicial or legislative action.
- o Communicate with members of the public as to how they might act to defend their rights secured by the Constitution of the United States.
- o Communicate with members of state and federal executive departments and with members of state and federal legislatures on matters deemed to be threats to human and civil rights.
- o Monitor developments around the country on matters which may affect religious, human and civil rights secured by the U.S. Constitution.
- o Cooperate with other interest groups and coalitions on matters of common interest.
- o Conduct research on public policy issues relating to First Amendment rights, the results of which will be made available to the general public and/or to members of the Congress in connection with the Fund's public policy and advocacy work.

The Fund has solicited support from the general public by means of one advertisement placed in the New York Times on

September 23, 1984. A copy of this advertisement is enclosed as Exhibit F. The Fund has also solicited support by means of a direct mail letter dated September, 1984. A copy of this letter is enclosed as Exhibit G.

Legal Precedents

1. The objectives and intended methods of the Fund, including substantial advocacy activities, qualify it for social welfare organization status. Section 501(c)(4) of the Code provides for the exemption of civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare. Section 1.501(c)(4)-1(a)(2) of the regulations states that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community. Section 1.501(c)(4)-1(a)(2)(ii) of the regulations states that a group may qualify as a social welfare organization under section 501(c)(4) even though it is an "action" organization engaged in attempts to influence legislation if it otherwise qualifies under that section.<sup>2</sup>

The IRS has consistently recognized the exempt status under section 501(c)(4) and the applicable regulations of organizations formed to carry out their exempt purposes through the development and implementation of programs designed to have an impact on

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2. See discussion in IRS Exempt Organizations Continuing Professional Education Technical Instruction Program for 1981, at pages 95-100.



community, state or national policy-making, including legislation. For example, the IRS, in Rev. Rul. 556, 1968-2 C.B. 216, recognized the exempt status under section 501(c)(4) of an organization formed to educate the public regarding an activity that was not lawful at the time the organization was created.<sup>3</sup> The organization sought changes in the law specifically to legalize the activity. To achieve its objectives, it circulated speeches, reprints and pamphlet material concerning the activity and lobbied for legislation to the activity. In recognizing the exempt status of the organization, the IRS stated that:

An organization that is organized and operated to inform the public by educational methods on a subject of public interest and concern may be exempt under section 501(c)(4) of the Code even though the subject evokes controversy and even though the organization advocates a particular viewpoint and seeks changes in the law to reflect such viewpoint. The education of the public on such a subject is deemed beneficial to the community because society benefits from an informed citizenry. The seeking of legislation germane to the organization's programs is recognized by the regulations as a permissible means of attaining social welfare purposes. (Emphasis added.)

In Rev. Rul. 76-81, 1976-1 C.B. 156, the IRS granted exempt status under section 501(c)(4) to an organization formed to educate the public on the subject of abortions, promote the rights of the unborn, and support legislative and constitutional changes to

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3. It is our understanding that the underlying ruling related to attempts to legalize the practice of euthanasia.



restrict women's access to abortions. In this case the IRS stated that:

The question of whether abortion laws should be restrictive or liberal is a matter of public concern in many communities. There are differences of opinion on this issue. Although the organization advocates the adoption of a particular position, its activities are nevertheless designed to increase the knowledge and understanding of the public on the entire subject. Thus, the organization is promoting in some way the common good and general welfare of the people of the community within the meaning of the regulations. (Emphasis added.)

In Rev. Rul. 71-530, 1971-2 C.B. 237, the IRS concluded that even direct approaches to Congress, without attempts to educate the public on an issue, qualified as social welfare activity within the meaning of section 501(c)(4). In that case the organization was formed to represent the public interest at legislative and administrative hearings on tax matters. It identified individuals it considered qualified to represent the general public in matters of tax policy -- e.g., members of the tax bar, public finance economists, teachers of accounting and tax law, and other tax specialists -- and alerted them as soon as issues arose in their field of expertise. The organization assisted them in preparing and publicizing their testimony at legislative and administrative hearings on these issues. In recognizing the exempt status of this organization under section 501(c)(4), the IRS said that:

Through presentations by qualified witnesses on pending or proposed tax legislation, the organization is promoting the common good and general welfare of the community by assisting legislators and administrators concerned with tax policy. Such activity helps the legislators and administrators form better judgments about the legislation.

These precedents have clear application to the Fund, and compel IRS recognition of its exempt status under section 501(c)(4) of the Code. As in the case of the organizations described in Rev. Rul. 68-656 and Rev. Rul. 76-81, the Fund's activities clearly will increase the knowledge of the general public on matters affecting their constitutional rights. And, as was the case in Rev. Rul. 71-530, the Fund's presentations before legislative bodies and administrative bodies on these matters will clearly help them form better judgments on legislative and policy issues before them.

2. A charitable organization can create a social welfare affiliate. The Fund will be an affiliate of PFAW, an organization exempt under section 501(c)(3), whose President will appoint the Fund's Board. The Fund will share the general goals of PFAW and will conduct advocacy activities that either could not be carried out by PFAW or would be subject to the limits of section 501(c)(3) and (h) on lobbying.

All expenditures of the Fund will be from non-deductible contributions, which will be raised primarily by direct mail solicitations. PFAW will not bear any expenses of the operation of the Fund, and adequate accounting and other administrative procedures will be established to insure that financial separation.

The relationship of PFAW and the Fund are consistent with that approved in the Supreme Court's recent decision in Taxation With Representation of Washington v. Regan, et al., 103 S.Ct. 1997 (1983). In that case, the Court squarely recognizes that a section 501(c)(3) organization (such as PFAW) has a right to create and control a section 501(c)(4) organization to function as the parent organization's alter ego in lobbying and advocacy activities and that the only restriction that may constitutionally be imposed on the relationship is that the entities be separately incorporated and that they keep adequate records to insure that tax deductible contributions are not used to pay for the affiliate's lobbying activities. See 103 S. Ct., 1997 n.6. PFAW and the Fund clearly will meet these criteria of separateness both as to structure and fiscal accounting, so the Fund is entitled to recognition as a separate entity exempt under section 501(c)(4).

#### Conclusion

The People for the American Way Action Fund clearly qualifies for exempt status under section 501(c)(4) of the Code.

## People for the American Way Action Fund

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Dear Member,

For the last four years, we have been doggedly researching, writing, and expressing our concern about the dangerous impact a group of radical religious leaders is having on American politics.

The result of their actions is evident in today's political events. Those who measure religious purity by legislative fealty to the fundamentalist political line have transformed political speech into a bully pulpit.

Now, in the midst of this crucial election year, the religion and politics issue has become the center of debate. And once again, PEOPLE FOR THE AMERICAN WAY is leading the battle.

Already, editorials by Norman Lear, our Founding Chair, and John Buchanan, our Chairperson, have appeared in newspapers, including USA Today and the New York Times. I was a guest on the "Today Show" and NBC's "Nightly News."

Many staff and friends of PEOPLE FOR THE AMERICAN WAY have countered extremist efforts with articles featured in hundreds of newspapers across the country.

All this has been the result of your continued, generous support. Your assistance provides the critically important resources needed to make our voices heard on national issues of concern to the American people.

We've expressed our alarm over religion's role in politics. We've stated that the issue is not entirely whether Ronald Reagan views his opponents as "sinners," or that Geraldine Ferraro doubts the President is a "good Christian."

We believe that such dialogue is totally inappropriate within the context of partisan political debate.

That has been our message all along. And it's gratifying to see more and more people becoming concerned about this issue. But to keep the discussion moving towards resolution, we must take the next step.

And that is why, with the approval of our National Board, I have authorized the Religious Liberty Project -- a multimedia campaign aimed at mobilizing a greater public response to attempts by extremists to erode our Constitutional separation of Church and State.

As part of this program, we have designed a new print ad. I've enclosed a rough artist's sketch for you to look over. This month we will be placing a final version of it in the New York Times.

(over please)

Our ad, which can reach a potential four million readers, will cost \$25,000 for the first edition. And if we can raise an additional \$150,000, we hope to place the same ad in newspapers across America.

But to do that, we need your help now!

I hope you'll take a few moments right now to make a special contribution to our PEOPLE FOR THE AMERICAN WAY ACTION FUND today.

The ACTION FUND has been created for the specific purpose of raising the money needed to carry out special programs like this National Ad Campaign.

And because the religion issue has become so hot politically, our "educational" tax status might have been questioned if we continued our campaign without the resources of a separate, segregated Fund.

Simply put, the ACTION FUND will allow PEOPLE FOR to proceed, during an election year, to monitor and respond to those who would try to replace democratic deliberation with fundamentalist indoctrination.

Of course, we will continue to remain a strictly nonpartizan organization. And we will not endorse any candidate or political party.

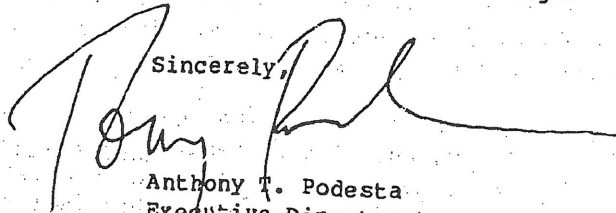
The strong support of members like you has allowed us to become a respected force in the fight for First Amendment freedoms. Because of our track record, I feel sure we can make a difference in setting the tone of the 1984 general election campaigns.

I think you'll agree with me that most Americans want to choose a President in November, not an "Evangelist-in Chief."

Please help us get our ad campaign moving quickly. And make your check payable to PEOPLE FOR THE AMERICAN WAY ACTION FUND today.

Let's work together to get our political process back on the right track.

Sincerely,



Anthony T. Podesta  
Executive Director

P.S. Our decision on how far we can expand the number of newspaper ads depends on our ability to raise \$150,000 by October 12. So please, help many more Americans see our message by sending your check to PEOPLE FOR THE AMERICAN WAY ACTION FUND today.

I look forward to hearing from you right away.

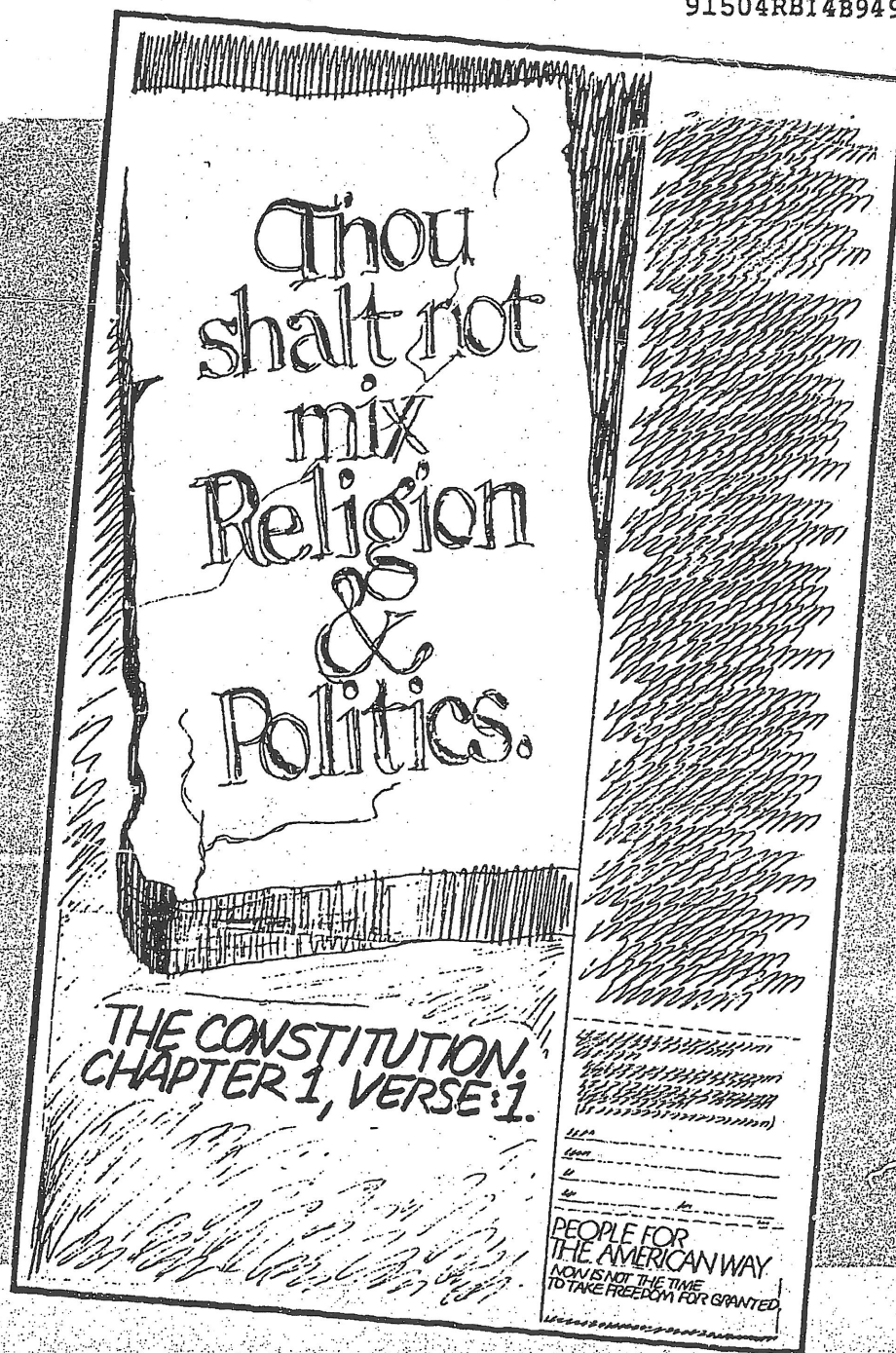


- ☐ I have taken the time to look over the religious liberty ad *People for the American Way Action Fund* will be running in the *New York Times* this month.
- ☐ I agree that more Americans should have the opportunity to see this important ad. *I am enclosing my own contribution to help you raise the \$150,000 budgeted for this crucial effort.* Please be sure we get this piece in newspapers across the country.
- ☐ I am enclosing my special contribution for:
- ☐ \$15      ☐ \$25      ☐ \$30      ☐ OTHER \$ \_\_\_\_\_

BEV ROBINSON  
949 DELAWARE RD  
BURBANK CA 91504

Please make your check payable to *People for the American Way Action Fund* and mail with this form to Post Office Box 19500, Washington, D.C. 20036. Contribution to PFAWAF are not tax deductible. *People for the American Way Action Fund* is a project of *Citizens for Constitutional Liberties, Inc.*, a non-profit, tax-exempt organization.

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PEOPLE FOR  
THE AMERICAN WAY  
NOW IS NOT THE TIME  
TO TAKE FREEDOM FOR GRANTED.

EXHIBIT B.

Officers of the Organization.

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2320 Tracy Place, NW  
Washington, DC 20008

Secretary: Mary Elizabeth Tuttle  
1011 North Daniel Street  
Arlington, Virginia 22201

Treasurer: Shad Ahmad  
5954 Burnside Landing Drive  
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\*NOT ADMITTED IN D.C.

October 11, 1984

Internal Revenue Service  
EP/EO Division  
Post Office Box 17010  
Baltimore, Maryland 21203

RECEIVED  
OCT 11 1984

Re: People for the American Way Action Fund  
(Application for Exemption)

Dear Sir or Madam:

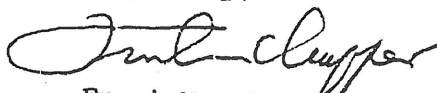
On behalf of People for the American Way Action Fund, we enclose:

- Form 1024, Application for recognition of Exempt Status under Section 501(c)(4) of the Internal Revenue Code; and
- Form SS-4, Application for Employee Identification Number.

Please call the undersigned at (202) 862-5027 if you need any additional information or have any questions.

A Power of Attorney, Form 2548, authorizing members of this firm to represent the organization is enclosed.

Sincerely,

  
Frank M. Chapper

Enclosures